



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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JOHN NAIMO  
ACTING AUDITOR-CONTROLLER

August 26, 2014

TO: All Department Heads  
FROM: John Naimo  
Acting Auditor-Controller

SUBJECT: **ANNUAL REPORTING REQUIREMENTS FOR FOUNDATIONS AND  
SUPPORT GROUPS**

On January 4, 1994, the Board of Supervisors (Board) adopted requirements governing departments' relationships with foundations and support groups. The adopted procedures, which were incorporated into the County Fiscal Manual (CFM), define the types of organizations that qualify as "reportable foundations," and require departments to monitor, account for, and report on their relationships with reportable foundations. These procedures also require departments to file an annual benefit/cost report with the Board and the Auditor-Controller (A-C) on each reportable foundation.

Attached is the ANNUAL REPORTING FORM FOR FOUNDATION ACTIVITIES. The form can also be found on the A-C's Internet website ([http://file.lacounty.gov/auditor/portal/cms1\\_163297.doc](http://file.lacounty.gov/auditor/portal/cms1_163297.doc)). As specified in the CFM Section 16.1.3.7, the form requires departments to report general information on foundation activities, the amount of County support provided to the foundation, and the tangible and intangible benefits provided by the foundation. Departments are also required to report all cases where department employees serve as officers of an affiliated foundation or are on the foundation's board of directors. Finally, the department head must affirm/certify that each of the department's foundation affiliations continues to be in the best interest of the County.

It is very important that departments specifically identify, and where possible, quantify intangible benefits provided by each foundation. In past years, some departments have not identified the intangible benefits provided to the Department by foundations. At times, the value of the support (e.g., staff salaries, etc.) provided by the County to a foundation exceeds the tangible benefits provided by the foundation. Even if the intangible benefits appear obvious, it is important to document and, where possible,

quantify the intangible benefits to demonstrate the true value of continuing the relationship with the foundation.

The attached form should be completed and submitted to my office by September 30, 2014, for each affiliated reportable foundation. As indicated in the CFM procedures, departments affiliated with multiple small neighborhood groups supporting specific facilities or activities (e.g., small informal local groups which provide support to particular parks, local libraries, or youth activities, such as boys or girls clubs, etc.) may submit a single combined report for these types of support groups. The combined report should list each informal group and provide all of the requested information for the group as a whole.

Departments not having any affiliations with reportable foundations must also sign and submit the attached Certification. Annually, we provide the Board with a summary of support provided by foundations and support groups. The completed annual reporting forms should be submitted to the Board and the A-C at the addresses below:

**Board of Supervisors**

Sachi A. Hamai  
Executive Officer, Board of Supervisors  
500 West Temple Street, Room 383  
Los Angeles, CA 90012-2766

**Auditor-Controller**

John Naimo  
Acting Auditor-Controller  
500 West Temple Street, Room 525  
Los Angeles, CA 90012-2766  
Attention: Heather Singh, Audit Division

Departments may also e-mail the signed Board Executive Office's copy to [boscustomerservicecenter@bos.lacounty.gov](mailto:boscustomerservicecenter@bos.lacounty.gov) and the signed A-C's copy to [hsingh@auditor.lacounty.gov](mailto:hsingh@auditor.lacounty.gov) in PDF format. If you have any questions, please contact Heather Singh at (213) 253-0197.

JN:AB:RS:YK

Attachment

c: Chief Deputies  
Administrative Deputies  
Audit Committee

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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**ANNUAL REPORTING FORM  
FOR FOUNDATION ACTIVITIES**

**REPORTING PERIOD – FISCAL YEAR 2013-14**

Department: \_\_\_\_\_

Departmental Contact: \_\_\_\_\_

E-mail and Telephone Number: \_\_\_\_\_

**Certification**

I hereby affirm/certify, to the best of my knowledge and belief, the foregoing information provided on this annual reporting form is true and accurate:

\_\_\_\_ The Department is not affiliated with any reportable foundation(s).

\_\_\_\_ The Department's affiliation with the following named foundation, guild, auxiliary, or other support organization, continues to be in the best interest of the County. (Please complete the Foundation Information below.)

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Date

**Foundation Information**

1. Foundation: \_\_\_\_\_

2. Date Foundation Chartered/Incorporated: \_\_\_\_\_

Has the organization filed for and received California tax exempt status?

Yes ☐

No ☐

3. Purpose of Foundation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. During the reporting period, were any Department employees directly involved with the Foundation's policy making or its administration and operations (e.g., by serving as members of the Board of Directors or officers of the Foundation)?

Yes ☐

No ☐

If yes, list the names and positions of the employees below.

<u>Name</u>	<u>Position</u>
_____	_____
_____	_____
_____	_____
_____	_____

Has the involvement in Foundation activities of the above-named employees been discussed with County Counsel and approved by the Board of Supervisors?

Yes ☐

No ☐

5. If Department employees were involved in the activities and operations of the Foundation, identify the approximate percentage of time, the number of employees, and the salary and employee benefits, spent on Foundation activities during the reporting period.

<u>Percentage of Time Spent On Foundation Activities</u>	<u>Number of Employees</u>	<u>Approximate Salaries &amp; Benefits</u>
100%	_____	\$ _____
75% to less than 100%	_____	_____
50% to less than 75%	_____	_____
25% to less than 50%	_____	_____
Less than 25%	_____	_____
Total (include total salaries in #6d. below)		\$ _____

6. Total estimated value of support provided by the Department to the Foundation during the reporting period.

<u>Type of Support</u>	<u>Cost or Value of Support Provided to the Foundation</u>
a. Office space	\$ _____
b. Utilities	_____
c. Supplies	_____
d. Staff/personnel (salaries & benefits, including the total from #5 above)	_____
e. Travel/transportation	_____
f. Other (describe) _____ _____ _____	_____ _____ _____
Total	\$ _____

7. Were any County revenues from activities (e.g., ticket sales or entrance fees, etc.) transferred or otherwise provided to the Foundation during the reporting period?

Yes ☐

No ☐

If yes, describe the type (source) of revenues and the amount and percent of revenues transferred to the Foundation. (The percent is the percent of that specific category of revenue, e.g., the percent of general admission fees.)

**Dollar Amount Transferred and Percent  
of Total Revenues Transferred**

<b><u>Type of Revenue</u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>
General admission fees	\$ _____	_____ %
Special events admission fees	_____	_____ %
Revenues from other activities (e.g., concession sales); describe the other activities.	_____	_____ %
_____		
_____		
_____		
Total	\$ _____	

8. Does the Department provide oversight or monitor the Foundation's activities, services, or financial matters?

Foundation activities

Yes ☐

No ☐

Foundation services

(Support provided to Department)

Yes ☐

No ☐

Financial matters

Yes ☐

No ☐

9. Type and value of tangible support provided by the Foundation to the Department during the reporting period.

Type of Support (See note below)	Value of Support Received
Contributions:	
Monetary	\$ _____
Additional compensation for County employees	_____
Supplies/medicines	_____
Equipment/facilities	_____
Travel/transportation	_____
Other (describe): _____ _____	_____ _____
Total	\$ _____

Note: Tangible contributions, such as funds, supplies, or equipment which foundations donate to the Department or the Department's clients, are considered donations and must be budgeted, accounted for, and documented (dates, value, etc.) in accordance with the donation procedures in the **County Fiscal Manual** Section 2.4.0.

10. Does the Foundation provide intangible benefits/services (e.g., volunteer hours, goodwill, etc.) to the Department? (See note below)

Yes ☐

No ☐

11. If the answer to #10 is yes, list the type and number of units (e.g., volunteer hours, etc.) of intangible benefits/services provided by the Foundation to the Department during the reporting period. (See note below)

<u>Description of Benefits/Services</u>	<u>Type &amp; Number of Units</u>
_____	_____
_____	_____
_____	_____
_____	_____

Note: It is very important that intangible benefits be identified and listed to show the true value of continuing the relationship with the Foundation. Volunteer hours, etc., must be listed in this section. They are **NOT** to be dollarized and included in #9 above.

12. Foundation operating budget. \$ \_\_\_\_\_

13. Attach Foundation's Form 199 (Exempt Organization Annual Information Return or Statement).

Attached ☐

Not Attached ☐

If Form 199 is not attached, please explain why:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



14. Attach a list of Foundation assets (e.g., cash, etc.).

Attached ☐

Not Attached ☐

If a list of assets is not attached, please explain why:

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15. List any observations on areas where the Foundation may be able to improve the manner in which it operates. For example:

1. In its relationship with the Department.
2. In its relationship with the clients it serves.

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